

MID-WESTERN UNIVERSITY, FACULTY OF MANAGEMENT
BACHELOR IN BUSINESS ADMINISTRATION (BBA), SYLLABUS 2072 (2016)

Course Title		Financial Management
Course Code Number		MGT 323
Credit Hours		03
Year/Semester		I/II
Course Objectives:		
Main Objective		The focus of this course is in the area of financial management. This course will enable managers how to interface with accounting and finance departments, help them to understand how firms meet their financial objectives utilizing financial decision-making. This course will also explain financial tools and techniques, which can be used to help firms maximize value by improving decisions relating to capital budgeting, capital structure, and working capital management.
Enabling Objectives		At the completion of this course, the students will be able to: <ul style="list-style-type: none"> • Develop a foundation of financial management concepts • Execute the financial statement for financial analysis • Use the concept of time value of money • Understand the concept of valuation of financial assets • Understand how corporations make important investment and financing decisions, and how they establish working capital policies.
Learning Unit (LU)	Learning Hours (LH)	Contents
LU 1	LH 2	Introduction Nature and Scope of Financial Management, Finance Functions, Goals of Financial Management, Agency Relationship
LU 2	LH 10	Financial Statement Analysis Concept and uses of Financial Statement, Balance Sheet, Income Statement, Statement of Retained Earnings, Statement of Cash Flows: Concept and its Preparation Financial Ratio Analysis: Types and uses of Financial Ratios, Limitations of Ratio Analysis
LU 3	LH 6	Time Value of Money Concept and Significance of Time Value of Money, Future Value and Compounding, Present Value and Discounting, Future Value and Present Value of an Annuity, Solving for Interest Rates and Number of Periods, Semi- Annual and Other Compounding Periods, Present Value of Perpetuity, Present and Future Value of an un-even Cash Flow Stream, Loan Amortization Schedule
LU 4	LH 10	Bond and Stock Valuation

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		<p>Features of Bond, Bond Valuation, Impact of Market Interest Rate on Bond Value, Bond Return Measures</p> <p>Features of Common Stock, Common Stock Valuation using Dividend Discount Model, Expected Rate of Return on a Constant Growth Stock</p> <p>Features of Preferred Stock, Valuation of Preferred Stock</p>
LU 5	LH 12	<p>Capital Budgeting</p> <p>Concept and Significance of Capital Budgeting, Classification of Capital Projects, Alternative Ranking Methods of the Investment Proposals: Pay Back Period, Discounted Pay Back Period, Net Present Value, Internal Rate of Return, Modified Internal Rate of Return and Profitability Index</p>
LU 6	LH 8	<p>Working Capital Management</p> <p>Concept of Working Capital, Importance of Working Capital Management, Cash Conversion Cycle,</p> <p>Cash Management: Motives for Holding Cash, Managing Collections and Controlling Disbursement</p> <p>Receivables Management: Concept and Determinants of Investment in Receivables, Elements of Credit Policy</p> <p>Inventory Management: Basic Inventory Cost, Economic Order Quantity, Reorder Point, and Safety Stock</p>
References		<ol style="list-style-type: none"> 1. Brigham, Eugene F. & Joel F. Houston (2009) <i>Fundamentals of Financial Management</i>. India: South Western Publication. 2. Jamce C Van Horne, John M. Wachowicz, & Saumitra N. Bhauri. (2009) <i>Fundamentals of Financials Management</i>. Pearson Education. 3. Pandey, I. M. (2009). <i>Financial Management</i>, New Delhi: Vikash Publising House Pvt. Ltd 4. Joshi, K. R., Sharma, D. R., Gupta, M. K., Lamichhane, P., Shrestha, P. M. & Ghimire, T. R. et al. <i>Fundamentals of Financial Management</i>, Ayam Publication, Kathmandu, Nepal.

Net Contact Hour is 48 excluding the exams and tests.

Evaluation Module: 50 percent will be assessed through the internal evaluation and 50 percent will be assessed through end semester examination